



# Financing Projects Using RECs

11<sup>th</sup> Annual Green Power Marketing Conference  
San Francisco, CA

# Evolution Markets Overview

- ❑ Evolution Markets Inc. was founded in 2000
- ❑ Offices in New York – San Francisco – London  
– Bratislava – Prague – Calgary
- ❑ World's Largest Environmental Brokerage
  - More than 65 Brokers Worldwide
- ❑ More than \$50 billion in energy and environmental transactions

# Evolution Markets Commitment to Renewable Markets

- ❑ RECs brokerage since 2002
- ❑ REC brokerage, green power contracts, financial services
- ❑ Compliance RECs (Northeast/Texas) from New York
- ❑ Voluntary RECs (Nationwide) and Western Compliance RECs from San Francisco
- ❑ Market's only Green-e approved broker
- ❑ Market's most honored brokerage



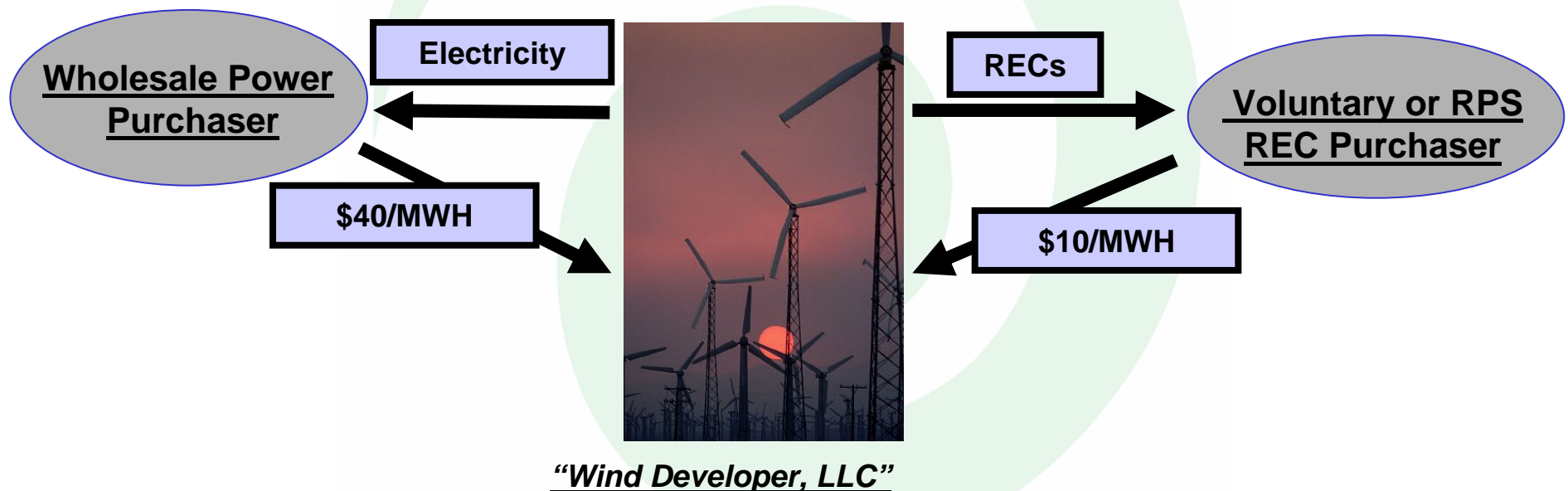
*Environmental Finance Magazine Customer Survey*  
**Best Renewables Broker-North America (2005, 2004, 2003)**

*Energy Risk Annual Rankings*  
**Best Broker-N. America Environmental Markets (2006, 2004)**



# Financing Renewables using RECs:

Example - \$50/MWH required to attract financing:



\*No transmission required for the REC sale\*  
\*\*The Electricity buyer has no claim to Renewable Energy\*\*

# Green Power Structures

- ❑ Unbundled RECs
- ❑ Grid Power plus RECs
- ❑ Green Electrons

# Financing Structures

- ☐ Long Term Power Purchase Agreements (Significant Leverage)
- ☐ Medium and Short term Power Purchase Agreements (Equity/Debt mix)
- ☐ Merchant (Equity)

## Where The majority Of The Voluntary Market Was In 2003

- ☐ Lower Prices
- ☐ Lower Volumes
- ☐ Smaller Term Transactions
- ☐ Significant Inventory not being sold

# Where The Majority Of The Voluntary Market Is In 2006

- ☐ Low/Medium/High Prices
- ☐ Significantly Higher Volumes
- ☐ Longer Term Deals
- ☐ Tight inventory



# How/Why The Large Change?

- ☐ Perfect Storm of Events
- ☐ Green Marketers
- ☐ Demand by those not able to buy Renewable Electricity

## Projects Getting Built due to RECs...

- ☐ Of Course they are.
- ☐ Both Directly & Indirectly
- ☐ The Voting / REC purchase Analogy

# **Voted Top Renewables Broker – North America**

***12/05 Environmental Finance Customer Survey***

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